

J.



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VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

IN RE:

SUPPLEMENTAL ORDER REGARDING DOCKET NUMBER VGOB 01-1016-0956

ELECTIONS: UNIT H-27 (herein "Subject Drilling Unit")

REPORT OF BOARD

FINDINGS AND ORDER

This Supplemental Order is entered by the Board *sua sponte* in the form authorized by the Board at hearings held on February 15, 1994 and June 16, 1992; and this Supplemental Order is being recorded for the purpose of supplementing the Order previously in the captioned matter on January 14, 2002 which was recorded at Deed Book 539, Page 184 in the Office of the Clerk of the Circuit Court of Buchanan County, Virginia, on January 29, 2002, (herein "Board Order") and completing the record regarding elections.

Findings: The Board finds that:

The Board Order directed Consol Energy Inc. (herein "Designated Operator") to mail copies of the Board Order to all Respondents whose interests, if any, were pooled by the said Board Order;

The Designated Operator filed its affidavit of elections disclosing that it had mailed a true and correct copy of the Board's Order to all Respondents whose interests, if any, were pooled by said Board Order;

The Board Order required each Respondent whose interests, if any, were pooled by the terms of said Board Order to make an election within thirty (30) days after the date of mailing or recording, as applicable, of said Order; the affidavit of elections filed herein and annexed hereto as Exhibit A states: (i) whether each Respondent has made or failed to make a timely election; (ii) the nature of any election(s) made; and (iii) whether, by reason of a failure to elect or to timely elect one or more Respondents are deemed, under the terms of the Board's Order, to have leased all their rights, title, interests, estates and claims in Subject Drilling Unit to the Applicant;

That the affidavit of elections annexed hereto with the Exhibits submitted therewith identifies the Respondent(s) making a timely election, if any, identifies the Respondent(s), if any, who are deemed to have leased; identifies the conflicting interests and claims which require escrow; identifies the interests and claims, if any, requiring escrow under Virginia Code section 45.1-361.21.D.; and identifies the Respondents, if any, who may be dismissed by reason of having leased or entered into a voluntary agreement with the Applicant.

The affidavit of elections indicates that the escrow of funds is required with regard to Unit H-27;

Order: By this Order, the Board orders the Designated Operator to tender, consistent with and in accordance with the findings set forth at paragraph 2. above and the annexed affidavit of elections with Exhibits thereto, any funds subject to escrow and instructs the Escrow Agent, First Union National Bank, Corporate Trust PA1328,123 Broad Street, Philadelphia, PA 19109-1199, Telephone: (215) 985-3485 or (800) 664-9359, Attn: Don Ballinghoff, or any successor named by the Board to establish interest bearing escrow account(s), IRS Tax Identification Number 54-1629506, in accordance with the information set forth in the affidavit of elections with Exhibits thereto, to receive funds and account to the Board therefore. The respondents listed in Exhibit B-2 to the Affidavit of Elections are dismissed.

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Mailing of Order and Filing of Affidavit: The Designated Operator under the captioned Order or shall file an affidavit with the Secretary of the Board within ten (10) days after the date of receipt of this Order stating that a true and correct copy of this Order was mailed to each Respondent whose interests or claims are subject to escrow or who is hereby dismissed and whose address is known within seven seven (7) days from the date of receipt of this Order.

<u>Conclusion:</u> Therefore, the findings and all terms and provisions set forth above be and hereby are granted and IT IS SO ORDERED.

Effective Date: This Order shall be effective on the date of its execution. DONE AND EXECUTED this 13 day of fune, 2002, by a majority of the Virginia Gas and Oil Board. STATE OF VIRGINIA **COUNTY OF WISE** Acknowledged on this 13th day of June, 2002, personally before me a notary public in and for the Commonwealth of Virginia, appeared Benny R. Wampler, being duly sworn did depose and say that he is Chairman of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so. Notary My commission expires: 7-31-02 DONE AND PERFORMED THIS 2 day of func Director of the Division of Gas & Oil Board and Principal Executive to the Board STATE OF VIRGINIA COUNTY OF WASHINGTON Acknowledged on this 24 day of (Acknowledged on this day of ________, 2002, personally before me a notary public in and for the Commonwealth of Virginia, appeared B. R. Wilson, being duly sworn did depose and say that he is Director of the Division of Gas & Oil Board and Principal Executive to the Board, that he executed the same and was authorized to do so. My commission expires: 9/3b/05.

> Order Recorded Under Code of Virginia Section 45.1-361.26

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VIRGINIA:

Exhibit A

BEFORE THE VIRGINIA GAS AND OIL BOARD

IN RE:

Application of Buchanan Production Company for Forced Pooling of Interests in CBM Unit H-27 VGOB 01-1016-0956 in the Garden District of Buchanan County, Virginia

AFFIDAVIT OF Consol Energy Inc. (herein "Designated Operator") REGARDING ELECTIONS, ESCROW AND SUPPLEMENTAL ORDER

Leslie K. Arrington, being first duly sworn on oath, deposes and says:

That your affiant is employed by Consol Energy Inc., as a Gas Engineer and is duly authorized to make this affidavit on behalf of Consol Energy Inc., the designated operator,

That the Order entered on January 14, 2002, by the Virginia Gas and Oil Board (hereinafter "Board") regarding the captioned CBM Unit required the Applicant to mail a true and correct copy of said Order to each person pooled by the Order;

That within seven (7) days of receipt of an executed copy of the Order referred to at paragraph 2. above, your affiant caused a true and correct copy of said Order to be mailed via the United States Postal Service to each Respondent named in the captioned Application, whose address was known, and to all persons, if any, who were added as Respondents at the hearing held in the captioned matter; that proof of such mailing has previously been tendered to the Division of Gas and Oil, the Office of the Gas and Oil Inspector, at Abingdon, Virginia;

That the Order of the Board in the captioned matter required all persons pooled thereby to tender their written elections to the Unit Operator within thirty (30) days of the date the Order was recorded in the county identified above; that said Order was recorded on January 29, 2002;

That the designated operator Consol Energy Inc. has established procedures to review all mail received and all written documents received other than by mail to ascertain whether parties whose interests have been pooled have made a written election, in a timely fashion, as required by the captioned Order; that said procedures were followed to identify the elections, if any, made with regard to the Subject Unit; that the following persons delivered, by mail or otherwise, written elections the Unit Operator, within the thirty day elections period:

GeoMet, Inc. and Highland Resources, Inc.

That Respondents identified in Exhibit B-3 hereto are, having failed to make any election, deemed to have leased their coalbed methane rights, interests and claims to Applicant, all as provided in the Board's Order of January 14, 2002;

See attached Exhibit B-3

That the rights, interests and claims of the following persons are subject to escrow under the Board's Order pooling the captioned Unit, Board Regulations and the Code of Virginia:

See attached Exhibit E

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That after the pooling hearing held in the captioned matter, the following persons have leased or entered into a voluntary agreement with the Designated Operator:

See attached Exhibit B-2

That to the extent any of said persons listed in Exhibit B-2 have rights, they should be dismissed as respondents; the Operator requests that the following persons be dismissed as Respondents:

Norfolk Southern Corporation

That the persons identified in Exhibit EE attached hereto have entered into royalty split agreements that allow the Applicant/Designated Operator to pay them directly without the need to escrow funds which would otherwise be in conflict.

None

That pursuant to the provisions of VAC 25-160-70.A.10. and C. and VAC 25-160-80 the annexed supplemental order sets forth the interests and claims that require escrow of funds pursuant to Virginia Code sections 45.1-361.21.D. and 45.1-361.22.A.3. and 4.

Dated at Tazewell, Virginia, this Uh day of SuNE, 2002.

Sushi L. Mungler

Leslie K. Arrington

My commission expires: 113005.

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PROPERTY LINES SHOWN WERE TAKEN BY CONSOL ENERGY, Inc. AND DO NOT	FROM MAPS AND DEEDS PROV	19 34 ATITU		o" . 11
BEARING BASIS: VIRGINIA STATE PLANE - SOUTH ZONE N 353,622.41		TO THE OTHER		→ MINERAL
			3	# 333,352.77 E 995,548.22
	WELL LOCATI			
	1			638
N 351,752.98				
E 993,613.47 WELL\$ WITHIN 2,500' WELL\$ DIRECTION A20 BU S 60'57'28" W A29 BU S 13'31'23" € THE ACTUAL WELL LOCATION WILL	DISTANCE 1844.00' 1164.66' BE WITHIN 10 FEET OF THE PE	ROPOSED LOCATION ACCORD		N 351,683.28 E 995,479.51 290 AND 45.1-361.30
	WLLL LOC	ANON PLA	11	
COMPANY CONSOL ENER TRACT NUMBER C.L. RITTER DISTRICT: GARDEN	LUMBER CO.			CBM-H27 ATTERSON
WELL COORDINATES (VIRGINIA ELEVATION: 2100.0' COUNTY BUCHANAN	_ METHOD USED TO DE Scale:	TERMINE ELEVATION: 1" = 400' Date	USGS TOPOGRAPHIC	S-OWEALTH OF
THIS PLAT IS A NEW PLAT _ Denotes the local latitude and long	tion of a well on Unite itude lines being representations.		1	
Licensed Profess	·			19 11 1

Form DG0-6 Rev. 10/96

CONSOL ENERGY INC. UNIT H-27

Tract Identifications

1. Slocum Land Corp. - Coal, Oil, and Gas

Coal Lessees

Island Creek Coal Co. - Coal below the Tiller Seam

Buchanan Production Co. -CBM Lessees

North American Timber Corp. - Surface

55.15 Acres

68,9375 %

2. C. L. Ritter Company - Coal, Oil & Gas

Coal Lessees

Island Creek Coal Co. - Coal below the Tiller Seam

Buchanan Production Company - CBM Lessee

William R. Vandyke - Surface

21.65 Acres

27.0625 %

3. Yukon Pocahontas Coal Co./Buchanan Coal Co./Sayers-Pocahontas Coal Co.(BV TR 42) – 2/3 Coal, Oil & Gas

North American Timber Corp. – 1/3 Coal, Oil, Gas

Coal Lessees

Island Creek Coal Co. - Below Tiller seam

Consolidation Coal Co. - Pocahontas 3 seam

Jewell Smokeless Coal Corp. - Surface through Tiller seam

North American Timber Corp. and their apparent Lessees,

GeoMet, Inc. and Highland Resources, Inc. - 1/3 CBM Lease

Buchanan Production Co. - 2/3 CBM Lessee

3.03 Acres

3.7875 %

4. Norfolk Southern Corporation – Surface, Oil, Gas and Coal above 800'

Yukon Pocahontas Coal Co./Buchanan Coal Co./Sayers-Pocahontas Coal Co.-2/3 Coal below 800'

North American Timber Corp. – 1/3 Coal below 800'

Coal Lessees:

Island Creek Coal Co. - Below Tiller seam

Consolidation Coal Co. - Pocahontas 3 seam

Jewell Smokeless Coal Corp. - between 800' and Tiller Seam

North American Timber Corp. and their apparent Lessees,

GeoMet/Highland Resources - 1/3 CBM Lease

Buchanan Production Co. - 2/3 CBM Lessee

0.17 Acres

0.2125 %

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Exhibit B-2 Unit H-27 Docket # VGOB 01-1016-0956 List of Respondents to be Dismissed

		Acres in Unit	Percent Reas of Unit for Disr	
l.	COAL FEE OWNERSHIP			
	<u>Tract #4, 0.17 Acres</u>			
	 (5) Norfolk Southern Corporation (Coal above 800') Real Estate Dept. 185 Spring Street Atlanta, GA 30303 	0.17 acres	0.2125% Leas	sed
II.	OIL & GAS FEE OWNERSHIP Tract #4, 0.17 Acres			
	(1) Norfolk Southern Corporation Real Estate Dept. 185 Spring Street Atlanta, GA 30303	0.17 acres	0.2125% Leas	sed

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Exhibit B-3 gg/9 Unit H-27 Docket # VGOB 01-1016-0956 List of Unleased Owners/Claimants

			Acres in Unit	Percent of Unit	Election
l.		FEE OWNERSHIP #3, 3.03 Acres	Acros months		
	` '	Plum Creek Timberlands, L.P. * Natural Resources Department 100 Peachtree Street NW, Suite 2650 Atlanta, GA 30303 (prev. North American Timber Corp.)	1.01 acres 1/3 of 3.03 acres	1.2625%	Participate (GeoMet, Inc. & Highland Res., Inc.)
II.	(4)	#4. 0.17 Acres Plum Creek Timberlands, L.P. (Coal below 800') * Natural Resources Department 100 Peachtree Street NW, Suite 2650 Atlanta, GA 30303 (prev. North American Timber Corp.)	0.06 acres 1/3 of 0.17 acres	0.0708%	Participate (GeoMet, Inc. & Highland Res., Inc.)
	<u>Tract</u> (4)	#3. 3.03 Acres Plum Creek Timberlands, L.P. * Natural Resources Department 100 Peachtree Street NW, Suite 2650 Atlanta, GA 30303 (prev. North American Timber Corp.)	1.01 acres 1/3 of 3.03 acres	1.2625%	Participate (GeoMet, Inc. & Highland Res., Inc.)

^{*} The CBM interest is leased by GeoMet, Inc. and Highland Resources, Inc.

Exhibit E Unit H-27 Docket # VGOB 01-1016-0956 549 PAGE 356 List of Conflicting Owners/Claimants that require escrow

			Acres in Unit	Percent of Unit
Tract	#4, 0.17 A	cres		
	COAL	FEE OWNERSHIP		
	(1)	Yukon Pocahontas Coal Company (Coal below 800') P.O. Box 187 Tazewell, VA 24651	0.09 acres 1/2 of 0.17 acres	0.1063%
	(2)	Buchanan Coal Company (Coal below 800') P.O. Box 187 Tazewell, VA 24651	0.02 acres 1/9 of 0.17 acres	0.0236%
	(3)	Sayers-Pocahontas Coal Company (Coal below 800') P.O. Box 187 Tazewell, VA 24651	0.01 acres 1/18 of 0.17 acres	0.0118%
•	(4)	Plum Creek Timberlands, L.P. (Coal below 800') * Natural Resources Department 100 Peachtree Street NW, Suite 2650 Atlanta, GA 30303 (prev. North American Timber Corp.)	0.06 acres 1/3 of 0.17 acres	0.0708%
	OIL	S GAS FEE OWNERSHIP		
	(1)	Norfolk Southern Corporation Real Estate Dept. 185 Spring Street Atlanta, GA 30303	0.17 acres	0.2125%

^{*} The CBM interest is leased by GeoMet, Inc. and Highland Resources, Inc.

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	OIL	& GAS FEE OWNERSHIP		
	(1)	Norfolk Southern Corporation Real Estate Dept. 185 Spring Street Atlanta, GA 30303	0.17 acres	0.2125%

^{*} The CBM interest is leased by GeoMet, Inc. and Highland Resources, Inc.

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DEFICIAL RECEIPT BUCHANAN COUNTY CIRCUIT COURT DEED RECEIPT

DATE: 01/29/02 TIME: 11:30:07 ACCOUNT: 027CLR020000448 RECEIPT: 02000000551
CASHIER: AKT RES: BUOI TYPE: OTHER PAYMENT: FULL PAYMENT
INSTRUMENT: 020000448 BOOK: FAGE: RECORDED: 01/29/02 AT 11:29
GRANTOR: VIRGINIA GAS AND OIL BOARD EX: N LOC: CO
GRANTEE: BUCHANAN PRODUCTION CO EX: N FCT: 100%
AMB ADDRESS:
RECEIVED OF: DEPT MINES MINERALS ENERGY
CHECK: \$25.00
DESCRIPTION: .00 ASSUME/VAL: .00 MAP:
CODE DESCRIPTION: .00 ASSUME/VAL: .00 MAP:
CODE DESCRIPTION PAID CODE DESCRIPTION PAID
301 DEEDS 25.00
CHANGE AMT: .00

CLERK OF COURT: JAMES M. BEVINS JR.

DC-18 (10/99)